

of the central operations of the entity.

**§ 32.7400 Nonoperating taxes.**

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7410 through 7450. Class B telephone companies shall use this account for nonoperating taxes of the type and character required of Class A companies in Accounts 7410 through 7450.

**§ 32.7410 Nonoperating investment tax credits - net.**

(a) This account shall be charged and Account 4330, Unamortized Nonoperating Investment Tax Credits-Net, shall be credited with investment tax credits generated from qualified expenditures related to other operations which the company has elected to defer rather than recognize currently in income.

(b) This account shall be credited and Account 4330 shall be charged with the amortization of each year's investment tax credits included in such accounts relating to amortization of previously deferred investment tax credits of other property or regulated property, the amortization of which does not serve to reduce costs of service (but the unamortized balance does reduce rate base) for ratemaking purposes. Such amortization shall be determined with reference to the period of time used for computing book depreciation on the property with respect to which the tax credits relate.

**§ 32.7420 Nonoperating federal income taxes.**

(a) This account shall be charged and Account 4070, Income Taxes - Accrued, shall be credited for the amount of nonoperating Federal income taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged.

(b) Taxes shall be accrued each month on an estimated basis and adjustments made as later data becomes available.

(c) Companies that adopt the flow-through method of accounting for investment tax credits shall reduce the calculated provision in this account by the entire amount of the credit realized during the year. Tax credits, other than investment tax credits, if normalized, shall be recorded consistent with the accounting for investment tax credits.

(d) No entries shall be made to this account to reflect interperiod tax allocation.

**§ 32.7430 Nonoperating state and local income taxes.**

(a) This account shall be charged and Account 4070, Income Taxes -Accrued, should be credited for the amount of state and local income taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged.

(b) Taxes shall be accrued each month on an estimated basis and adjustments made as later data becomes available.

(c) No entries shall be made to this account to reflect interperiod tax allocation.

**§ 32.7440 Nonoperating other taxes.**

This account shall be charged and Account 4080, Other Taxes--Accrued, shall be credited for all nonoperating taxes, other than Federal, state and local income taxes, and payroll related taxes for the current period. Among the items includable in this account are property, gross receipts, franchise and capital stock taxes. This account shall also reflect subsequent adjustments to amounts previously charged.

**§ 32.7450 Provision for deferred nonoperating income taxes - net.**

(a) This account shall be charged or credited, as appropriate, with contra entries recorded to the following accounts for nonoperating tax expense that has been deferred in accordance with § 32.22 of Subpart B:

4110 Net Current Deferred Nonoperating Income Taxes  
4350 Net Noncurrent Deferred Nonoperating Income Taxes

(b) **FOR COMPANIES NOT SUBJECT TO SECTION 32.2(g)**, subsidiary record categories shall be maintained to distinguish between property and nonproperty related deferrals and so that the company may separately report the amounts contained herein that relate to Federal, state and local income taxes. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

**§ 32.7499 Content of accounts.**

Interest and related amounts shall be included in Accounts 7510 through 7540.

**§ 32.7500 Interest and related items.**

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7510 through 7540. Class B telephone companies shall use this account for interest and related items of the type and character required of Class A companies in Accounts 7510 through 7540.

**§ 32.7510 Interest on funded debt.**

(a) This account shall include the current accruals of interest on all classes of debt the principal of which is includable in Account 4210, Funded Debt. It shall also include the interest on funded debt the

maturity of which has extended by specific agreement.

(b) This account shall be kept so that the interest on each class of funded debt may be shown separately in the annual reports to this Commission.

(c) These accounts shall not include charges for interest on funded debt issued or assumed by the company and held by or for it, whether pledged as collateral or held in its treasury, in special deposits or in sinking or other funds.

(d) Interest expressly provided for and included in the face amount of securities issued shall be charged at the time of issuance to Account 1330, Other Prepayments, and cleared to this account as the term expires to which the interest applies.

(e) This account shall also include monthly amortization of balances in Accounts 4220, Premium on Long-Term Debt, and 4230, Discount on Long-Term Debt.

**§ 32.7520 Interest expense - capital leases.**

This account shall include the interest portion of each capital lease payment.

**§ 32.7530 Amortization of debt issuance expense.**

This account shall include the monthly amortization of the balances in Account 1407, Unamortized Debt Issuance Expense.

**§ 32.7540 Other interest deductions.**

(a) This account shall include all interest deductions not provided for elsewhere, e.g., discount, premium, and expense on notes maturing one year or less from date of issue.

(b) A list of representative items of indebtedness, the interest on which is chargeable to this account, follows

(1) Advances from affiliated companies;

(2) Advances from nonaffiliated companies and other liabilities

(3) Assessments for public improvements past due;

(4) Bond coupons, matured and unpaid;

(5) Claims and judgments;

(6) Customers' deposits;

(7) Funded debt mature, with respect to which a definite agreement as to extension has not been made;

(8) Notes payable on demand or maturing one year or less from date of issue;

(9) Open accounts;

(10) Tax assessments, past due; and

(11) Discount, premium, and issuance expense of notes maturing one year or less from date of issue.

(c) Interest payable on notes or other evidences of indebtedness maturing serially shall be charged to Account 7510, Interest of Funded Debt, if any portion of the obligation matures more than one year from date of issue.

#### **§ 32.7599 Content of accounts.**

These accounts are intended to segregate the effects of events or transactions that are extraordinary. Extraordinary events and transactions are distinguished by both their unusual nature and by the infrequency of their occurrence, taking into account the environment in which the company operates. These accounts shall also include the related income tax effect of the extraordinary items.

#### **§ 32.7600 Extraordinary items.**

This account shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 7610 through 7640. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 7610 through 7640.

#### **§ 32.7610 Extraordinary income credits.**

This account shall be credited with nontypical, noncustomary and infrequently recurring gains which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 7630, Current Income Tax Effect for Extraordinary Items-Net, and Account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items-Net.

#### **§ 32.7620 Extraordinary income charges.**

This account shall be debited with nontypical, noncustomary and infrequently recurring losses which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 7630, Current Income Tax Effect for Extraordinary Items - Net, and Account 7640, Provision for Deferred Income Tax Effect of Extraordinary Items - Net.

**§ 32.7630 Current income tax effect of extraordinary items - net.**

This account shall be charged or credited and Account 4070, Income Taxes-Accrued, shall be credited or charged for all current income tax effects (Federal, state and local) of items included in Accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges.

**§ 32.7640 Provision for deferred income tax effect of extraordinary items - net.**

This account shall be charged or credited, as appropriate, with a contra amount recorded to Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes or Account 4110, Net Current Deferred Nonoperating Income Taxes for the income tax effects (Federal, state and local) of items included in Accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges, that have been deferred in accordance with § 32.22 of Subpart B.

**§ 32.7899 Content of accounts.**

Jurisdictional differences and nonregulated income amounts shall be included in Accounts 7910 and 7990.

**§ 32.7910 Income effect of jurisdictional ratemaking differences - net.**

This account shall include the impact on revenues and expenses of the jurisdictional ratemaking practices which vary from those of this Commission. All entries recorded in this account shall be recorded net of the applicable income tax effects and shall be supported by appropriate subsidiary records, where necessary, as provided for in § 32.13(e) of Subpart B.

**§ 32.7990 Nonregulated net income.**

(a) This account shall be used by those companies who offer nonregulated activities that do not involve the joint or common use of assets or resources used in the provision of both regulated and nonregulated products and services, and which have not established a separate subsidiary for that purpose.

(b) All revenue and expenses (including taxes) incurred in these nonregulated activities shall be recorded on separate books of account for such operations. Only the net of the total revenues and total expenses shall be recorded in this account, with a contra debit or credit to account 1406.3.

**§ 32.7991 [Added]**

**§ 32.7991 [Revised]**

**§ 32.7991 [Deleted]**

## Subpart G - Glossary

### § 32.9000 Glossary of terms.

When used in this system of accounts:

**"Accelerated depreciation"** means a depreciation method or period of time, including the treatment given cost of removal and gross salvage, used in calculating depreciation deductions on income tax returns which is different from the depreciation method or period of time prescribed by this Commission for use in calculating depreciation expense recorded in a company's books of account.

**"Account"** means a specific element of a chart of accounts used to record, classify and accumulate similar financial transactions resulting from the operations of the entity. "Accounts" or "these accounts" refer to the accounts of this system of accounts.

**"Accounting System"** means the total set of interrelated principles, rules, requirements, definitions, accounts, records, procedures and mechanisms necessary to operate and evaluate the entity from a financial perspective. An accounting system generally consists of a chart of accounts, various parallel subsystems and subsidiary records. An accounting system is utilized to provide the necessary financial information to users to meet judiciary and other responsibilities.

**"Affiliated companies"** means companies that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the accounting company. See also Control.

**"Amortization equipment"** means that equipment which functions with a specific type of plant or with two (2) or more types of plant, e.g., switching equipment, network power equipment, circuit equipment, common channel network signaling equipment or network operations equipment. Associated equipment shall be classified to the account appropriate for the type of equipment with which it is predominately used rather than on its own characteristics. Illustrative examples of associated equipment are:

- Alarm and signal apparatus
- Auxiliary framing
- Cable and cable racks
- Distributing frames and equipment thereon
- Frame and aisle lighting equipment (not permanently attached to the building)
- Relay racks and panels

**"Basic service area"** means the minimum specified calling area for which a tariff is prescribed.

**"Book cost"** means the amount at which property is recorded in these accounts, without deduction of related allowances.

**"Common carrier"** or **"carrier"** means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, except where reference is made to common carriers not subject to this Act; but a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier.

**"Company"** or **"the company"** when not otherwise indicated in the context, means the accounting entity. It includes such unincorporated entities which may be subject to the Communications

Act of 1934, as amended.

**"Control"** (including the terms **"controlling," "controlled by,"** and **"under common control with"**) means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement with, one or more other companies, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stock-holders, voting trusts, holding trusts, affiliated companies, contract, or any other direct or indirect means.

**"Cost of removal"** means the cost of demolishing, dismantling, removing, tearing down, of otherwise disposing of telecommunications plant and recovering the salvage, including the cost of transportation and handling incident thereto.

**"Cost"**, except as applied to telecommunications plants, franchises, and patent rights, means the amount of money actually paid (or the current money value of any consideration other than money exchanged) for property or services. See also Original Cost.

**"Depreciation"** means the loss not restored by current maintenance, incurred in connection with the consumption or prospective retirement of telecommunications plant in the course of service from causes which are known to be in current operation, against which the company is not protected by insurance, and the effect of which can be forecast with a reasonable approach to accuracy. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in technology, changes in demand and requirements of public authorities.

**"Entity"** means a legal enterprise (common carrier) engaged in interstate communications within the meaning of the Communications Act of 1934, as amended.

**"Group plan,"** as applied to depreciation accounting, means the plan under which depreciation charges are accrued upon the basis of the original cost of all property included in each depreciable plant account, using the average service life thereof properly weighted, and upon the retirement of any depreciable property its cost is charged to the depreciation reserve whether or not the particular item has attained the average service life.

**"Indexed revenue threshold for a given year"** means \$100 million, adjusted for inflation, as measured by the Department of Commerce Gross Domestic Product Chain-type Price Index ("GDP-CPI"), for the period from October 19, 1992 to the given year. The indexed revenue threshold for a given year shall be determined by multiplying \$100 million by the ratio of the annual value of the GDP-CPI for the given year to the estimated seasonably adjusted GDP-CPI on October 19, 1992. The indexed revenue threshold shall be rounded to the nearest \$1 million. The seasonally adjusted GDP-CPI on October 19, 1992 is determined to be 100.69.

**"Intangible property"** means assets that have no physical existence but instead have value because of the rights which ownership confers.

**"Intrasystems"** means assets consisting of:

(1) PBX and Key System Common Equipment (a switchboard or switching equipment shared by all stations),

(2) Associated CPE station equipment (usually telephone or Key Telephone Systems)  
and

(3) Intrasytem wiring (all cable or wiring and associated components which connect the common equipment and the station equipment, located on the customer's side of the demarcation point).

An intrasytem does not include property, plant or equipment which are not solely dedicated to its operation.

**"Minor items,"** as applied to depreciable telecommunications plant, means any part or element of such plant, which when removed, (with or without replacement) does not initiate retirement accounting.

**"Original cost" or "cost,"** as applied to telecommunications plant, rights of way and other intangible property, means the actual money cost of (or the current money value of any consideration or other than money exchanged for) property at the time when it was first dedicated to use by a regulated telecommunications entity, whether the accounting company or by predecessors.

For the application of this definition to property acquired from predecessors see § 32.2000(b)(1) of Subpart C. Note also the definition of Cost in this section.

**"Plant retired"** means plant which has been removed, sold, abandoned, destroyed, or otherwise withdrawn from service.

**"Retirement units,"** as applied to depreciable telecommunications plant, means those items of plant which when removed (with or without replacement) cause the initiation of retirement accounting entries.

**"Salvage value"** means the amount received for property retired, if sold, or if retained for reuse, the amount at which the material recovered is chargeable to Account 1220, Material and Supplies, or other appropriate account.

**"Straight-line method,"** as applied to depreciation accounting, means the plan under which the cost of property is charged to operating expenses and credited to accumulated depreciation through equal annual charges as nearly as may be during its service life.

**"Subsidiary record categories"** means those segregations of certain regulated costs, expenses and revenues which must be maintained and are subject to specific reporting requirements of this Commission.

**"Subsystems, parallel mechanisms"** means processes or procedures which augment the use of a chart of accounts in the financial operation of the entity. These subsystems operate on and/or process account and subsidiary record information for specific purposes.

**"Telecommunications"** means any transmission, emission, or reception or signs, signals, writing, images or sounds or intelligence of any nature by wire, radio, visual or other electromagnetic systems. This encompasses the aggregate of several modes of conveying information, signals or messages over a distance. Included in the telecommunications industry is the transmitting, receiving, or exchanging of information among multiple locations. The minimum elements required for the telecommunications process to occur are a message source, a transmission medium and a receiver.

**"Time of installation"** means the date at which telecommunications plant is placed in service.

**"Time of retirement"** means the date at which telecommunications plant is retired from



service.

**"Tangible property"** means assets characterized by physical existence, such as land, buildings, equipment, furniture, fixtures and tools.

**COST APPORTIONMENT METHODOLOGY**  
 Telecommunications Plant In-Service

USOA - Part 32 Account	Cost Pools	Cost Pool Apportionment Basis	Regulated/Nonregulated Apportionment Basis	Cost Definition	Comments
2111 Land	Regulated	Cost Pool Equals Subaccount	Directly Assigned to Regulated	Directly Assignable	Includes investment in Land associated with Equal Access.
	Nonregulated	Not Applicable	Directly Assigned to Nonregulated	Directly Assignable	Not applicable to the Ameritech operating companies.
	<u>Common Sub-pools</u>				AAD 92-94 provided for the disaggregation of cost pools when a greater precision of cost allocation was achieved. Listed below are the sub-pools that Ameritech uses to allocate common Land investment.
	• Central Office	Central Office Buildings Relative to Total Building Investment Less Directly Assigned and Directly Attributable Cost Pools (Acct. 2121)	Relative Cost: Central Office Investment (Accounts 2211- 2232) Less Equal Access and Network Reconfiguration	Indirectly Attributable	
	• Distribution Services	Distribution Services Buildings Relative to Total Building Investment Less Directly Assigned and Directly Attributable Cost Pools (Acct. 2121)	Distribution Services Wages and Salaries Accounts 2311-2362, 2411-2441, 6311-6362, 6411- 6441	Indirectly Attributable	
	• Network Support	Network Support Buildings Relative to Total Building Investment Less Directly Assigned and Directly Attributable Cost Pools (Acct. 2121)	Network Support and Plant Non- specific Wages and Salaries Accounts 6112-6124 and 6511- 6565	Indirectly Attributable	
	• Customer Operations	Customer Operations Buildings Relative to Total Building Investment Less Directly Assigned and Directly Attributable Cost Pools (Acct. 2121)	Customer Operations Wages and Salaries Accounts 6611-6623	Indirectly Attributable	
	• Corporate Operations	Customer Operations Buildings Relative to Total Building Investment Less Directly Assigned and Directly Attributable Cost Pools (Acct. 2121)	Corporate Operations Wages and Salaries Accounts 6711- 6728	Indirectly Attributable	

**COST APPORTIONMENT METHODOLOGY**  
Telecommunications Plant In-Service

USOA - Part 32 Account	Cost Pools	Cost Pool Apportionment Basis	Regulated/Nonregulated Apportionment Basis	Cost Definition	Comments
2112 <del>Motor Vehicles</del>	Regulated	Not Applicable	Directly Assigned to Regulated	Directly Assignable	Not applicable to the Ameritech operating companies.
	Nonregulated	Not Applicable	Directly Assigned to Nonregulated	Directly Assignable	Not applicable to the Ameritech operating companies.
	<u>Common Cost Pools</u>				
	Central Office	Analysis of Motor Vehicle Records	Central Office Wages and Salaries Accounts 2211-2232 and 6211-6232 <i>6232</i>	Indirectly Attributable	
	Distribution Services	Analysis of Motor Vehicle Records	Distribution Services Wages and Salaries Accounts 2311-2362, 2411-2441, 6311-6362, 6411-6441	Indirectly Attributable	
	Network Support	Analysis of Motor Vehicle Records	Network Support and Plant Non-specific Wages and Salaries Accounts 6112-6124 and 6511-6565	Indirectly Attributable	
	Customer Operations	Analysis of Motor Vehicle Records	Customer Operations Wages and Salaries Accounts 6611-6623	Indirectly Attributable	
	Corporate Operations	Analysis of Motor Vehicle Records	Corporate Operations Wages and Salaries Accounts 6711-6728	Indirectly Attributable	
	Motor Pool	Analysis of Motor Vehicle Records	Total Company Wages and Salaries	Indirectly Attributable	
2113 Aircraft	Cost Pool Equals Account	_____	General Allocator	Unattributable	Aircraft are no longer owned by the Ameritech operating companies. If this ownership status changes, the investment in this account will be apportioned using the general allocator.
2114 Special Purpose Vehicles	Cost Pool Equals Account	_____	Relative Cost: Cable and Wire Facilities Investment Accounts 2411-2441	Indirectly Attributable	Special purpose vehicles are only used in connection with outside plant facilities.

**COST APPORTIONMENT METHODOLOGY**  
Telecommunications Plant In-Service

USOA - Part 32 Account	Cost Pools	Cost Pool Apportionment Basis	Regulated/Nonregulated Apportionment Basis	Cost Definition	Comments
2115 Garage Work Equipment	Motor Vehicles	Relative Cost: Motor Vehicle Expense Account 6112 Relative to Total Motor Vehicle Expense Account 6112, Aircraft Expense Account 6113, Special Purpose Vehicle Expense Account 6114 and Other Work Equipment Expense Account 6116	Relative Cost: Motor Vehicles Investment (Acct. 2112)	Indirectly Attributable	
	Aircraft	Relative Cost: Aircraft Expense Account 6113 Relative to Total Motor Vehicle Expense Account 6112, Aircraft Expense Account 6113, Special Purpose Vehicle Expense Account 6114 and Other Work Equipment Expense Account 6116	Relative Cost: Aircraft Investment (Acct. 2113)	Indirectly Attributable	
	Special Purpose Vehicles	Relative Cost: Special Purpose Vehicle Expense Account 6114 Relative to Total Motor Vehicle Expense Account 6112, Aircraft Expense Account 6113, Special Purpose Vehicle Expense Account 6114 and Other Work Equipment Expense Account 6116	Relative Cost: Special Purpose Vehicles Investment (Acct. 2114)	Indirectly Attributable	

**COST APPORTIONMENT METHODOLOGY**  
Telecommunications Plant In-Service

USOA - Part 32 Account	Cost Pools	Cost Pool Apportionment Basis	Regulated/Nonregulated Apportionment Basis	Cost Definition	Comments
2115 Garage Work Equipment (Continued)	Other Work Equipment	Relative Cost: Other Work Equipment Expense Account 6116 Relative to Total Motor Vehicle Expense Account 6112, Aircraft Expense Account 6113, Special Purpose Vehicle Expense Account 6114 and Other Work Equipment Expense Account 6116	Relative Cost: Other Work Equipment Investment (Acct. 2116)	Indirectly Attributable	The amounts included in this cost pool represent the embedded investment in Garage Work Equipment costing between \$500 and \$2000 which is being amortized over a five-year period as specified in CC Docket No. 95-60.
	Embedded Investment in Individual Items of Small Value	Cost Pool Equals Subaccount	Relative Cost: Garage Work Equipment Investment (Acct. 2115) Less Embedded Investment in Individual Items of Small Value	Indirectly Attributable	
2116 Other Work Equipment	Tools	Cost Pool Equals Subaccount	Network Plant Support Wages and Salaries Accounts 2211-2232, 2311-2362, 2411-2441, 6112-6116, 6211-6232, 6311-6362, 6411-6441, 6511-6565	Indirectly Attributable	The amounts included in this cost pool represent the embedded investment in Other Work Equipment costing between \$500 and \$2000 which is being amortized over a five-year period as specified in CC Docket No. 95-60.
	Embedded Investment in Individual Items of Small Value	Cost Pool Equals Subaccount	Relative Cost: Other Work Equipment Investment (Acct. 2116) Less Embedded Investment in Individual Items of Small Value	Indirectly Attributable	
2121 Buildings	Regulated	Cost Pool Equals Subaccount	Directly Assigned to Regulated	Directly Assignable	Includes investment in Buildings associated with Equal Access.
	Nonregulated	Not Applicable	Directly Assigned to Nonregulated	Directly Assignable	Includes investment in Buildings associated with E911.

**COST APPORTIONMENT METHODOLOGY**  
Telecommunications Plant In-Service

USOA - Part 32 Account	Cost Pools	Cost Pool Apportionment Basis	Regulated/Nonregulated Apportionment Basis	Cost Definition	Comments
2121 Buildings (Continued)	<u>Common Cost Pools</u>				
	Regulated - Direct Attribution	Building Use Study	Directly Attributed to Regulated	Directly Attributed	Includes investment that is listed as incidental within Section III, Incidental Activities of the ACAM. In addition, investment in Buildings associated with Ameritech's tariff on Expanded Interconnection pursuant to CC Docket No. 91-141 are included in this cost pool.
	Nonregulated - Direct Attribution	Building Use Study	Directly Attributed to Nonregulated	Directly Attributed	The Ameritech operating companies do not have Directly Attributable Nonregulated Buildings investment.
	Central Office	Building Use Study	Relative Cost: Central Office Investment Accounts 2211-2232 Less Equal Access and Network Reconfiguration	Indirectly Attributable	
	Distribution Services	Building Use Study	Distribution Services Wages and Salaries Accounts 2311-2362, 2411- 2441, 6311-6362, 6411-6441	Indirectly Attributable	
	Network Support	Building Use Study	Network Support and Plant Non- specific Wages and Salaries Excluding Account 6121 (Accounts 6112-6124 and 6511-6565 Less Account 6121)	Indirectly Attributable	Network Support Buildings include those used for provisioning, network administration, engineering or testing functions of the AOCs.
	Customer Operations	Building Use Study	Customer Operations Wages and Salaries Accounts 6611-6623	Indirectly Attributable	
	Corporate Operations	Building Use Study	Corporate Operations Wages and Salaries Accounts 6711-6726	Indirectly Attributable	

# **COST APPORTIONMENT METHODOLOGY** **Telecommunications Plant In-Service**

USOA - Part 32 Account	Cost Pools	Cost Pool Apportionment Basis	Regulated/Nonregulated Apportionment Basis	Cost Definition	Comments
2122 Furniture	Furniture and Networks	Cost Pool Equals Subaccounts	Total Company Wages and Salaries Less Direct Construction, Installation and Repair Wages and Salaries  Relative Cost: Furniture Investment (Acct. 2122) Less Embedded Investment in Individual Items of Small Value	Indirectly Attributable	The amounts included in this cost pool represent the embedded investment in Furniture costing between \$500 and \$2000 which is being amortized over a five-year period as specified in CC Docket No. 95-60.
2123 Office Equipment	Office Support and Company Communications Equipment	Cost Pool Equals Subaccounts	Total Company Wages and Salaries Less Direct Construction, Installation and Repair Wages and Salaries  Relative Cost: Office Equipment Investment (Acct. 2123) Less Embedded Investment in Individual Items of Small Value	Indirectly Attributable	The amounts included in this cost pool represent the embedded investment in Office Equipment costing between \$500 and \$2000 which is being amortized over a five-year period as specified in CC Docket No. 95-60.
2124 General Purpose Computers	General Purpose Computers  Embedded Investment in Individual Items of Small Value	Cost Pool Equals Subaccount	Total Company Wages and Salaries  Relative Cost: General Purpose Computers Investment (Acct. 2124) Less Embedded Investment in Individual Items of Small Value	Indirectly Attributable	
	Equal Access	Cost Pool Equals Subaccount	Directly Assigned to Regulated	Directly Assignable	

**COST APPORTIONMENT METHODOLOGY**  
 Telecommunications Plant In-Service

USOA - Part 32 Account	Cost Pools	Cost Pool Apportionment Basis	Regulated/Nonregulated Apportionment Basis	Cost Definition	Comments
2110 Land and Support Assets	Regulated	Cost Pool Equals Subaccount	Directly Assigned to Regulated	Directly Assignable	Includes investment in Land and General Purpose Computers associated with Equal Access.
	Nonregulated	Not Applicable	Directly Assigned to Nonregulated	Directly Assignable	Includes investment in Buildings associated with E911.
	<u>Common Sub-Pools</u>				
	• Regulated Direct Attribution	Building Use Study Applied to the Land and to the Buildings Subaccounts Less Directly Assignable Cost Pools	Directly Assigned to Regulated	Directly Attributed	
	• Nonregulated Direct Attribution	Building Use Study Applied to the Land and to the Buildings Subaccounts Less Directly Assignable Cost Pools	Directly Assigned to Nonregulated	Directly Attributed	
	• Central Office	Building Use Study Applied to the Land and to the Buildings Subaccounts, Analysis of Motor Vehicle Records Applied to the Motor Vehicle Subaccount Less Directly Assignable and Directly Attributable Cost Pools	Relative Cost: Central Office Investment (Accounts 2211-2232) Less Equal Access and Network Reconfiguration	Indirectly Attributable	
	• Distribution Services	Building Use Study Applied to the Land and to the Buildings Subaccounts, Analysis of Motor Vehicle Records Applied to the Motor Vehicle Subaccount Less Directly Assignable and Directly Attributable Cost Pools	Distribution Services Wages and Salaries Accounts 2311-2362, 2411-2441, 6311-6362, 6411-6441	Indirectly Attributable	



**COST APPORTIONMENT METHODOLOGY**  
Telecommunications Plant In-Service

USOA - Part 32 Account	Cost Pools	Cost Pool Apportionment Basis	Regulated/Nonregulated Apportionment Basis	Cost Definition	Comments
2110 Land and Support Assets (Continued)	<u>Common Sub-Pools (Continued)</u> <ul style="list-style-type: none"> <li>• Network Support</li> <li>• Customer Operations</li> <li>• Corporate Operations</li> <li>• Motor Pool</li> <li>• Aircraft</li> </ul>	<p>Building Use Study Applied to the Land and to the Buildings Subaccounts, Analysis of Motor Vehicle Records Applied to the Motor Vehicle Subaccount Less Directly Assignable and Directly Attributable Cost Pools</p> <p>Building Use Study Applied to the Land and to the Buildings Subaccounts, Analysis of Motor Vehicle Records Applied to the Motor Vehicle Subaccount Less Directly Assignable and Directly Attributable Cost Pools</p> <p>Building Use Study Applied to the Land and to the Buildings Subaccounts, Analysis of Motor Vehicle Records Applied to the Motor Vehicle Subaccount Less Directly Assignable and Directly Attributable Cost Pools</p> <p>Analysis of Motor Vehicle Records Applied to the Motor Vehicle Subaccount Less Directly Assignable Cost Pools</p> <p>Cost Pool Equals Subaccount</p>	<p>Network Support and Plant Non-specific Wages and Salaries Accounts 6112-6124 and 6511-6565</p> <p>Customer Operations Wages and Salaries Accounts 6611-6623</p> <p>Corporate Operations Wages and Salaries Accounts 6711-6728</p> <p>Total Company Wages and Salaries</p> <p>General Allocator</p>	<p>Indirectly Attributable</p> <p>Indirectly Attributable</p> <p>Indirectly Attributable</p> <p>Indirectly Attributable</p> <p>Unattributable</p>	<p>Aircraft are no longer owned by the Ameritech operating companies. If this ownership status changes, the investment in this account will be apportioned using the general allocator.</p>

## Telecommunications Plant In-Service

2110  
Land and Support  
Assets (Continued)

**COST APPORTIONMENT METHODOLOGY**  
Telecommunications Plant In-Service

USOA - Part 32 Account	Cost Pools	Cost Pool Apportionment Basis	Regulated/Nonregulated Apportionment Basis	Cost Definition	Comments
2110 Land and Support Assets (Continued)	<u>Common Sub-Pools</u> <u>(Continued)</u> <ul style="list-style-type: none"> <li>• Embedded Investment Office Equipment</li> <li>• Embedded Investment General Purpose Computers</li> </ul>	<p>Cost Pool Equals Subaccount</p> <p>Cost Pool Equals Subaccount</p>	<p>Relative Cost: Office Equipment Subaccount</p> <p>Relative Cost: General Purpose Computers Subaccount</p>	<p>Indirectly Attributable</p> <p>Indirectly Attributable</p>	<p>The amounts included in the following cost pools identified as Embedded Investment represent embedded investment in individual items of small value costing between \$500 and \$2000 which is being amortized over a five-year period as specified in CC Docket No. 95-60.</p>